

Sustainable Disruption



Today's session will cover



- Why should we care about Sustainability when starting a business?
- What do we mean by 'Sustainable Disruption'?
- How can we take action on the different areas of Sustainability?
- Practical scenarios with King's20 Start Ups



WHY

Why Sustainable Disruption?



Core Business Stakeholders demand this!

- **Customers** – 1 in 3 consumers stopped buying certain brands ([Deloitte, 2021](#))
- **Investors** – 85% are interested in impact investing because 73% of ESG indexes have outperformed their non-ESG equivalents since their inception ([Financial Times](#))
- **Employees** – 42% of people would never work for a company that doesn't drive societal change and 25% would need to be paid a lot more to be at a company that doesn't do this ([Endleman Trust Barometer, 2019](#))
- **Partners and other businesses** – Scandals e.g. boohoo.com show big businesses are rushing to clean up their Supply Chains with the likes of [Ocado](#), [Waitrose](#) and [Boots](#) spotlighting sustainability brands
- **Public** – 76% of people believe business leaders need to lead change rather than wait for the government to impose it ([Endleman Trust Barometer, 2019](#))

Why Sustainable Disruption?



It makes complete 'Business Sense'

- Your venture needs a World in order to operate!
- Much sustainable practice is just good business practice e.g. reducing carbon footprints saves money

The Pursuit of Better Beer

OUR NEW SNAP PACK

Our revolutionary new Snap Pack is designed to reduce waste, eliminating more than 1,200 tonnes of plastic*.

A GREENER GREEN

We've switched to Cradle to Cradle Certified™ Silver Inks** on our Pilsner bottle labels, for better recycling.

FRESHER BEER

Introducing our new ZerO₂ cap. A cleverly designed cap that removes oxygen from the bottle, for fresher tasting beer every time.



Longer shelf life

Fewer manufacturing costs



Maximising value to the customer



*In total, we will reduce our plastic usage by more than 1,200 tonnes annually when all of our 4, 6 and 8 packs have been converted to Snap Pack across 11 markets. **Learn more: Carlsberg.com/CC2C.

Why Sustainable Disruption?

It makes complete 'Business Sense'

- Your venture needs a World in order to operate!
- Much sustainable practice is just good business practice e.g. reducing carbon footprints saves money
- Being sustainable makes you stand out above the competition
- Control your own destiny and gain the benefits rather than being forced to do this, and quickly!



Why Sustainable Disruption?



Typical Myths and Objections

- “Thinking about Sustainability will make starting a venture harder and more expensive”
- “I will think about Sustainability when I have a successful, financially sustainable business”
- “I don't have a physical product, or an office, so there's nothing my business can do on Sustainability because everything we do is online”
- “We're not solving a Sustainability problem so it's just not relevant for us”
- “We're already delivering on Sustainability so there's nothing more we can do”

OPERATIONS	BUSINESS MODEL
Day-to-day practices	
Where you have an impact, you reduce it or make it positive	
Doing things <i>impactfully</i>	
Applies to every business and is a minimum	



WHAT



What do we mean by Disruption?

DISRUPT

Be willing to question the way things are done and be bold in proposing revolutionary, better ways of thinking and doing to solve the world's most pressing problems.



- The person that challenges the status quo and the traditional way of thinking
- Champion for progress whether that be in a team, in an organisation or an entire industry.
- They seeks opportunities and lives outside of the box
- Always being open to being challenged in return

Disruptive innovations

NETFLIX



~~Uber~~



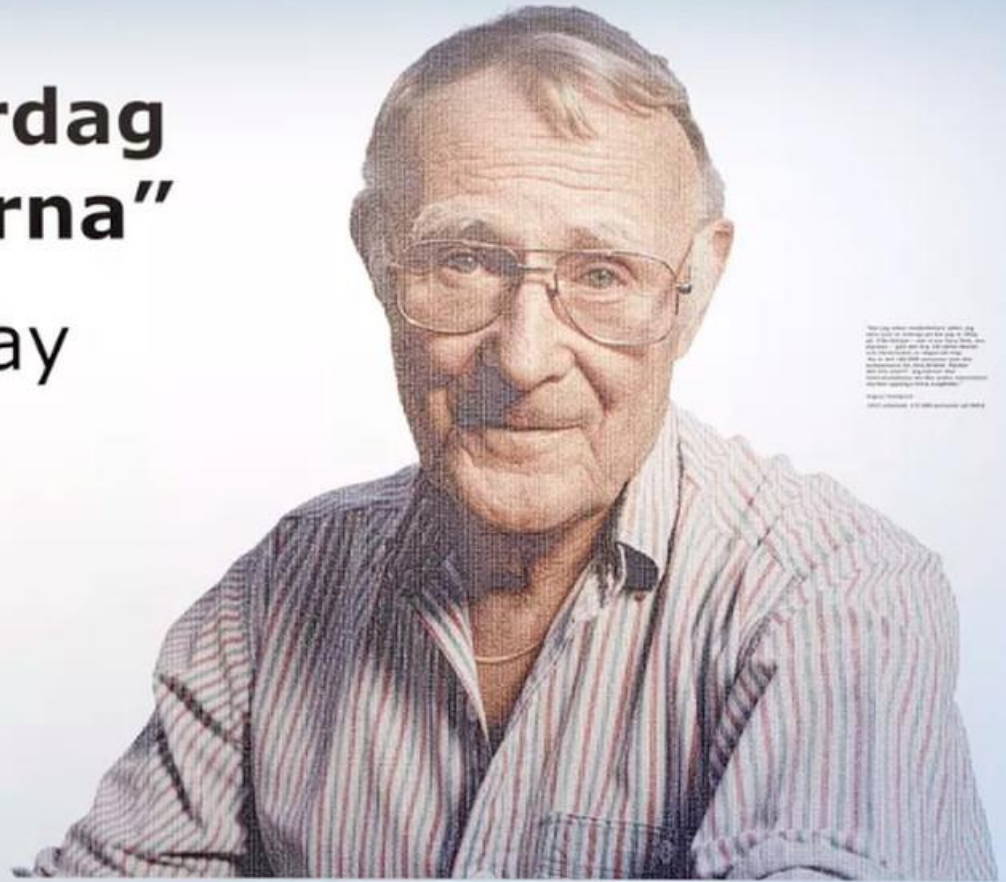
~~TESLA~~

“Att skapa en bättre vardag
för de många människorna”

“To create a **SUSTAINABLE** everyday
life for the many people”



Ingvar Kamprad



Ingvar Kamprad har skrivit ett brev till alla som arbetar på IKEA. I brevet berättar han om sin vision för IKEA och om vad han vill se till stånd för de många människorna. Brevet finns att läsa på www.ikea.com.

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**Do I need to be
the next Netflix to be
Disruptive?**



**A VEGAN IN
CHARGE OF A
MEAT-BASED
BAKERY?!**

**58% RISE IN PROFITS
IN FIRST 6 MONTHS**



PROBLEMS

**WORTH
SOLVING**

LESS THIS



MORE THIS



LESS THIS



MORE THIS



TO SAVE THIS...!

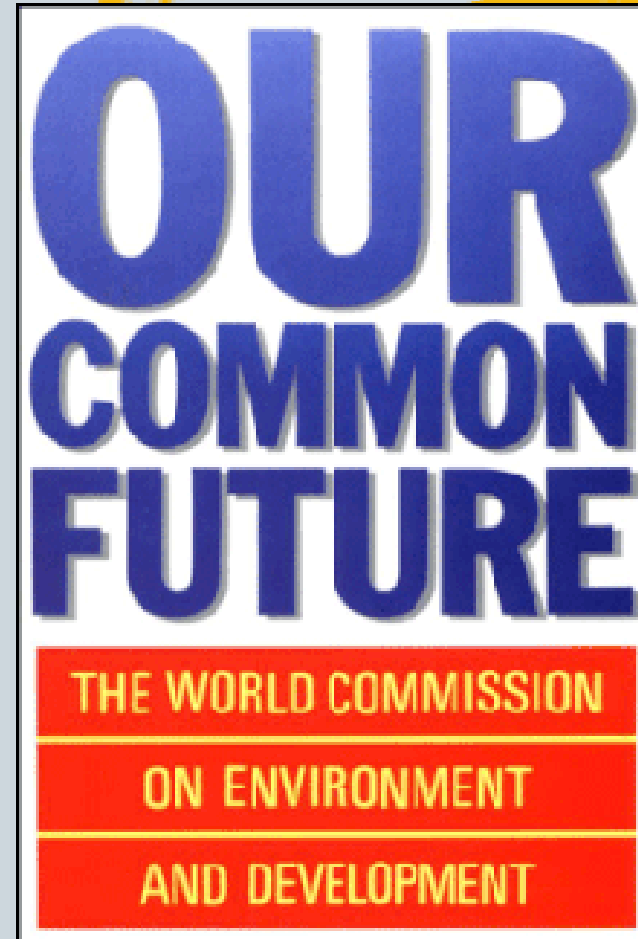




What do we mean by Sustainability?

“Sustainable Development is development that meets the need of the present without compromising the ability of future generations to meet their own needs.”

Bruntland Report, 1987





SUSTAINABLE DEVELOPMENT GOALS

SOCIAL

ENVIRONMENTAL

ECONOMIC



OPERATIONS	BUSINESS MODEL
Day-to-day practices	Company design
Where you have an impact, you reduce it or make it positive	Where you do something specific aligned with your value proposition to create impact
Doing things <i>impactfully</i>	Doing <i>impactful</i> things
Applies to every business and is a minimum	Rarer and a form of leadership that creates a USP



Impact Business Models



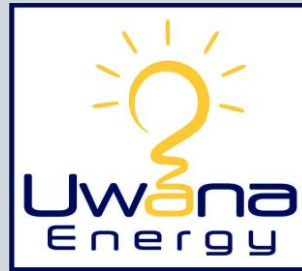
Relates to Revenue!

- Specific – a specific benefit for a specific stakeholder group
- Material – significant benefits to the stakeholder group
- Verifiable – documentable through research and measurement
- Lasting – designed to be part of the company
- Rare – not something traditional businesses do, currently uncommon
- BUT hopefully not for much longer!

Impact Business Models

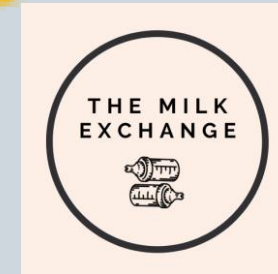


**Environmental
Innovative Process**
Redesign traditional
processes to conserve
natural resources



**Basic Services for
the Underserved**
Fundamental
services to
individuals without
prior access

**Renewable
Energy**
Reduce GHG
emissions



**Health and
Wellness**
Products/services
that promote the
health and
wellness of
individuals



**Serving In
Need
Populations**
Social product
models that
are targeted to
underserved
populations



The Sustainable Business Model Canvas

Designed for:

Designed by:

On:

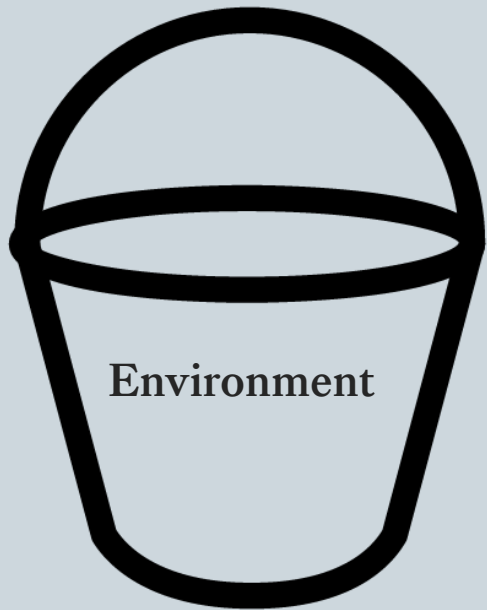
Version:

<h3>Key Partners</h3>  <p>Who are our Key Partners? Who are our key suppliers? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform?</p> <p>MOTIVATION FOR PARTNERSHIPS: Optimization and economy Reduction of risk and uncertainty Acquisition of particular resources and activities</p>	<h3>Key Activities</h3>  <p>What Key Activities do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams?</p> <p>CATEGORIES: Production Problem Solving Platform/Network</p>	<h3>Value Propositions</h3>  <p>What value do we deliver to the customer? Which one of our customer's problems are we helping to solve? What bundles of products and services are we offering to each Customer Segment? Which customer needs are we satisfying?</p> <p>CHARACTERISTICS: Newness Performance Customization "Getting the Job Done" Design Brand/Status Price Cost Reduction Risk Reduction Accessibility Convenience/Usability</p>	<h3>Customer Relationships</h3>  <p>What type of relationship does each of our Customer Segments expect us to establish and maintain with them? Which ones have we established? How are they integrated with the rest of our business model? How costly are they?</p> <p>EXAMPLES: Personal Assistance Dedicated Personal Assistance Self-Service Automated Services Communities Co-Creation</p>	<h3>Customer Segments</h3>  <p>For whom are we creating value? Who are our most important customers?</p> <p>POSSIBILITIES: Mass Market Niche Market Segmented Diversified Multi-sided Platform</p>
<h3>Key Resources</h3>  <p>What Key Resources do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams?</p> <p>TYPES OF RESOURCES: Physical Intellectual (brand, patents, copyrights, data) Human Financial</p>		<h3>Channels</h3>  <p>Through which Channels do our Customer Segments want to be reached? How are we reaching them now? How are our Channels integrated? Which ones work best? Which ones are most cost-efficient? How are we integrating them with customer routines?</p> <p>CHANNEL PHASES: 1. Awareness 2. Evaluation 3. Purchase 4. Delivery 5. After Sales (post-purchase customer support) ... of products & services and Value Proposition</p>		
<h3>Cost Structure</h3>  <p>What are the most important costs inherent in our business model? Which Key Resources are the most expensive? Which Key Activities are most expensive?</p> <p>IS YOUR BUSINESS MORE: Cost Driven (leanest cost structure, low price value proposition, maximum automation, extensive outsourcing) Value Driven (focused on value creation, premium value proposition)</p> <p>SAMPLE CHARACTERISTICS: Fixed Costs (salaries, rents, utilities) Variable Costs Economies of Scale Economies of Scope</p>		<h3>Revenue Streams</h3>  <p>For what value are our customers really willing to pay? For what do they currently pay? How would they prefer to pay? How much does each Revenue Stream contribute to overall revenues?</p> <p>FIXED PRICING: List Price Product feature dependent Customer segment dependent Volume dependent</p> <p>DYNAMIC PRICING: Negotiation (bargaining) Yield management Real-time Market</p>		
<h3>Eco-Social Costs</h3>  <p>What ecological or social costs is our business model causing? Which Key Resources are non-renewable? Which Key Activities use a lot of resources?</p> <p>EVALUATION INSTRUMENTS: Life-Cycle Assessment (of products and services) Common Good Balance Sheet</p>		<h3>Eco-Social Benefits</h3>  <p>What ecological or social benefits is our business model generating? Who are the beneficiaries? Are they potential customers? Can we transform the benefits into a Value Proposition? If yes, for whom?</p> <p>INSTRUMENTS: Social Reporting Standard Common Good Balance Sheet</p>		



HOW

Our 4 Sustainable Disruption Buckets:



The resources involved
across the lifecycle of a
product/service



Who they raise up
or exert pressure on
in the supply chain



How are they able
to play their part?



How open they are
about their practices
and progress

Good Practice 1 – Environment

They filled the idea of buying lighting as a product to buying lighting as a service, they disrupted the consumption model

[selling light as a service](#)



Good Practice 2 – Community



Josephine Philips, Founder and CEO Sojo, makes sure all areas of her business are sustainable not just her mission.

Instagram: @sojo_app

Good Practice 3 – Customers



Iceland used their platform to spread a message around de-forestation. Not their core message but part of their business values.

Good Practice 4 – Governance

Allbirds pride themselves on the transparency they show in their pricing, manufacturing, supply chain and end of life of their products

<https://www.allbirds.co.uk/pages/footprint>

The Allbirds logo, featuring the word "allbirds" in a black, lowercase, cursive script font, centered within a white rectangular box.

K20 Case Studies

The logo for Grand Nanny, featuring the word "GRAND" in a bold, teal, sans-serif font above the word "Nanny" in a lighter, green, sans-serif font.

Intergenerational Childcare

The logo for The 1839 Company, enclosed in a double-lined black rectangular border. The text "THE 1839 COMPANY" is in a bold, black, sans-serif font, with "ENGLAND" in a smaller, black, sans-serif font below it. At the bottom, "MAKERS OF FINE HONOURS CAPS" is written in a small, black, sans-serif font.

THE 1839 COMPANY
ENGLAND
MAKERS OF FINE HONOURS CAPS

Sporting Equipment

The logo for malebox, featuring a white stylized envelope icon on a teal background, followed by the word "malebox" in a white, lowercase, sans-serif font.

At home male fertility testing

<https://www.kings20.com/>

Task 1 – What are they doing well?



Task 2 – Where could they improve?



For Idea Factory



- So how will you make your venture a Sustainable Disruption?
- Think about Operations and maybe an Impact Business Model!
- Consider the Four Buckets + Employees!
- How you could build this into your business from the start?


Any Questions?




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